

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA	:	CRIMINAL NO. _____
v.	:	DATE FILED: _____
STEVE NUSBAUM	:	Violations: 18 U.S.C. § 666(a)(2), (b)
ROMAN CHODAK	:	(Bribery concerning programs
DAVID ENDERS	:	receiving federal funds --
	:	1 count)
	:	18 U.S.C. § 1951
	:	(Extortion under color of
	:	official right -- 2 counts)
	:	18 U.S.C. § 2
	:	(Aiding and abetting)

INFORMATION

COUNT 1

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times material to this Information:

The City Vendor Defendant

1. Defendant STEVE NUSBAUM was the chief executive officer of Arch Electronics, Inc. ("Arch"), located at 2006 Chestnut Street (first floor), Philadelphia, Pennsylvania, a business engaged in the provision of electronic parts and supplies.
2. Arch purchased electronic parts and supplies from businesses located outside of Pennsylvania and therefore was engaged in interstate commerce.

Arch's Contracts with the City

3. The City of Philadelphia's ("City") Procurement Department was the central purchasing and materials management agency for the City. In order to purchase goods and services for the various City departments, the Procurement Department entered into service, supply, and equipment contracts with vendors.

4. Between in or about fiscal year 1996, and in or about December 2001, Arch was awarded approximately twelve City contracts for the provision of electronic parts and supplies.

5. Arch's supply contracts with the City required that Arch purchase electronic parts and supplies from the Digi-Key catalog, for which the City agreed to pay Arch at a specified discount from the Digi-Key list prices.

6. Arch's City contracts and Procurement Department policy required Arch to submit an invoice to the City requesting payment after Arch had delivered electronic parts and supplies to a City agency or department.

7. Arch's City contracts and Procurement Department policy required Arch to provide on each invoice a description of the electronic parts and supplies provided, the Digi-Key list prices, and the contracted discount as provided in Arch's contract with the City.

8. Arch's City contracts and Procurement Department policy required Arch to submit its invoices to an authorized representative of the City department or agency purchasing the electronic parts and supplies in order to obtain the representative's signature confirming receipt of the parts and supplies delivered.

9. Arch delivered electronic parts and supplies to, among others, the Water

10. Beginning in or about fiscal year 1996, and continuing through in or about 2001, the City remitted a total of approximately \$1,408,577 to Arch, representing payment for year is as follows:

Fiscal Year	
1996	\$260,052.97
	\$284,634.64
1998	
1999	\$215,543.75
	\$181,233.70
2001	

The City Agencies

11. The Philadelphia Water Department is responsible for serving the Greater

Water Department's primary mission is to plan for, operate, and maintain both the infrastructure and the organization necessary to purvey high-quality drinking water; to provide an adequate and enhance the region's watersheds and quality of life by managing wastewater and storm water effectively.

12. The Fairmount Park Commission is a city-wide park system, responsible for overseeing sixty-three separate parks covering over 8,900 acres, including the Benjamin Franklin Zoological Garden, and the Philadelphia Museum of Art.

13. The Philadelphia International Airport serves as the principal gateway for the Airport System (comprised of Philadelphia International Airport and Northeast Philadelphia Airport) is operated by the Department of Commerce's Division of Aviation.

operating purposes and aviation capital during the years and in approximately the amounts identified below:

	Federal Funds Received
1996	
1997	\$29,116,685.99
	\$25,557,501.00
1999	
2000	\$2,594,338.00
	\$3,054,806.00

The City Employee Defendants

15. Defendant ROMAN CHODAK, charged elsewhere in this information, has been employed by the Water Department since in or about October 1980. During times pertinent

to this information, CHODAK worked at the Baxter Water Treatment Plant, where he held the position of Instrumentation Technician Crew Chief. CHODAK was authorized to sign Arch

Arch.

16. Kevin G. Kelly, charged elsewhere, was employed by the Water Department

information, Kelly worked at the Northeast Water Pollution Control Plant, where he held the position of Stores Manager. Kelly was authorized to sign Arch invoices on behalf of the Water

17. Timothy Laigaie, charged elsewhere, was employed by the Water Department

from in or about March 1987 through in or about January 2002. During times pertinent to this

of Instrument Service Crew Chief, Electrical Technical Group Leader, and Water Maintenance Supervisor. Laigaie was authorized to sign Arch invoices on behalf of the Water Department,

18. Adam Skoczylas, charged elsewhere, was employed by the Water Department

from in or about November 1989 through in or about January 2002. During times pertinent to

of Electrical Technical Group Leader. Skoczylas was authorized to sign Arch invoices on behalf of the Water Department, confirming receipt of parts and supplies delivered by Arch.

Philadelphia International Airport

19. Defendant DAVID ENDERS, charged elsewhere in this information, has been times pertinent to this information, ENDERS worked at Electronic Services, where he held the position of Electronic Group Leader. ENDERS was authorized to sign Arch invoices on behalf of

Fairmount Park Commission

20. Arthur J. Caldwell, charged elsewhere, has been employed by the Fairmount Caldwell held the positions of Electrical Group Leader and Building Maintenance Supervisor. Caldwell was authorized to sign Arch invoices on behalf of the Fairmount Park Commission,

The Crime

21. Defendants ROMAN CHODAK and DAVID ENDERS, and Kevin G. Kelly, covered by Arch's City contracts from defendant STEVE NUSBAUM.

22. The merchandise requested by the City employees included, but was not limited

23. To fund the merchandise provided to the City employees, defendant STEVE

Arch invoices that were inflated or false.

24. Defendant STEVE NUSBAUM would hold “on account” the amount of the

and the City employees would receive merchandise not due them.

25. The inflated Arch invoices overcharged the City by misrepresenting the Digi-

26. The false Arch invoices billed the City for electronic parts and supplies not provided to the City.

CHODAK and DAVID ENDERS, and Kevin G. Kelly, Timothy Laigaie, Adam Skoczylas, and Arthur J. Caldwell, signed the inflated and false Arch invoices prepared by defendant STEVE

28. The City paid Arch’s invoices, including the inflated and false invoices, by issuing checks to Arch. As a result of the fraud perpetrated against it, the City was overcharged by

ROMAN CHODAK, and approximately \$23,149 is attributable to defendant DAVID ENDERS.

29. The City employees signed the fraudulent invoices and picked up the

30. From in or about July 1998, through in or about July 2001, in the Eastern

STEVE NUSBAUM

corruptly gave, offered, and agreed to give things of value, that is, merchandise, to defendant

International Airport, an organization which received benefits of over \$10,000 in a one-year period under a federal program involving a grant, subsidy, or other form of federal assistance, with intent

and series of transactions of the Philadelphia International Airport involving anything of value of \$5,000 or more.

COUNTS 2-3

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

2. On or about the dates listed below, at Philadelphia, in the Eastern District of Pennsylvania, the defendants listed below unlawfully obstructed, delayed, and affected commerce, in that the defendants listed below unlawfully obtained and attempted to obtain property and things offices, from defendant STEVE NUSBAUM, charged elsewhere in this information, with the consent of the persons under color of official right:

<u>Count</u>	City Employee _____	<u>City Department</u>	<u>Dates</u>
	ROMAN CHODAK		July 1997 to June 2001
	DAVID ENDERS	Airport	

In violation of Title 18, United States Code, Sections 1951 and 2.

PATRICK L. MEEHAN